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The Industrial Labour Welfare Association Ltd.,

Address by

Mr. G. D. NAIDU,

President, I. L. W. A. Ltd.

in a function arranged
to meet

Shri K. S. MALHOTRA, I. A., & A. S.,

National Savings Commissioner, Govt. of India, Simla.

GOPAL BAGH, 1—10—1956 COIMBATORE.

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Under the auspices of this association a party was arranged to meet Shri K. S. Malhotra, I. A., & A. S., National Savings Commissioner, Government of India, Simla, at "Gopal Bagh", Coimbatore on 1-10-1956. The party was well represented by a large gathering of public and social workers.

Mr. G. D. Naidu's speech welcoming the chief guest and refering to the National Savings Scheme and Mr. Malhotra's reply to the welcome address and to the questions put by the audience are given here.

Mr. T. T. R. Pillai proposed a vote of thanks.

Speech by

Mr. G. D. NAIDU

My dear friends,

First of all I want to thank Shri K. S. Malhotra for immediately accepting my invitation for this meeting, extended over the telephone when he was at Bangalore. He is the Commissioner for the National Savings Schemes for India. He has come here to explain the scheme. We do not know much of these schemes except occasionally when some officers of the government come and ask us to deposit some amounts towards our own savings. Some people are investing money thinking that this is a profitable investment without any effort and without any worry afterwards. Of course such people do not calculate how far they get better profits than in ordinary business. Some people without any consideration whatsoever, invest money because some officers ask them to invest even though they do not know the officers before. Some people invest because the officers who ask them happen to be their friends. Some people, because of the pressure brought on them, invest reluctantly some amounts. Same things happen with regard to investment in government bonds,

but with a little difference in the way or mode of investment.

Everyone will have the curiosity to know what that is. It is due to the compulsion by some officers, which every one of us have experienced in the recent call for loans by the Madras Government. The target figure which the government expected was Rs. 12 lakhs or so, but the collection was more than that. Mahathma Vinoba Bave's demand also is to collect one crore from this district, particularly from the industrialists. I do not know how far he will be successful, while for the collection of loans on government bonds for 12 lakhs, much efforts were taken by all important people of the district.

No doubt, Coimbatore has grown up to a big city after the war and many industries also have sprouted out like mushrooms. If I say they are like mushrooms, it is because of their quick birth. I don't think they will vanish like mushrooms. But they will grow day by day and year by year by the help of the development schemes.

As people think this city is not so rich as other cities, because this city is now only in the growing stage while other cities

have already grown and are reaping their fruits in the hands of the people. Hence really we cannot compare this industrial city with other old industrial cities of India.

It is true that numerous industries have sprung up. But these are started with small funds expecting sufficient funds from other sources for further development, while other cities start industries and expand them with the help of their floating funds. Under these circumstances, the people here are not able to invest funds in government bonds or in national savings schemes of their own accord. Generally for any such loans or national savings schemes, the public must invest of their own free will and desire without any outside pressure. Excepting a very few, the majority of people are not in a state to invest funds by themselves. But they will invest only on some pressure, expecting some kind of advantage from the government side. I do not know full particulars about the national savings scheme. Also I do not know what the advantages are in investing in government loans. In spite of all these I made one of the companies, in which I have interest, to invest in government bonds.

In the investment in government bonds there are some advantages. As far

as my knowledge goes, there is not so much advantage in the investment in national savings schemes as in government bonds. We, all friends, are here waiting to hear from our chief guest about the advantages and disadvantages of the two systems of investments.

Of course you can put questions to the chief guest after he explains about the schemes. I don't want to forget to thank the guests who have responded to my invitation with such short notice, in spite of much inconvenience.

Thank you all.

Reply by

Sri K. S. Malhotra, I. A., & A. S.

National Savings Commissioner, Government of India, Simla

Mr. Naidu, Ladies & Gentlemen,

I must at the very out set, tell you that I do not preach any particular system of investment and I am not therefore going to tell you so much as to what are the advantages of investing in national savings as compared with the investments in bonds or in government loan or in your own mill capital. But what I do want to speak to you about is, why have we to save? I believe that national saving's primary task is to teach people the virtue of saving. In scarcity for doing so after we say we would not insist nor give any particular advice as to how and where you ought to invest your savings. It is true that my organization has fine clips which we offer to the small savers. Now we primarily teach small savings. What are small savings? And I will give you a small example. Supposing you get about 30 or 40 rupees per month from your wife as pocket money. The pay gets to the wife, but I come to the reverse please, but I am just giving this facts as a supposition. This happens in the world. I get some thing from my wife every month. Now if

out of those 30, 40 or 50 rupees which are given to you either for your cigarettes or your pan beeda or for your cinema or some of these odd things, you are able to spend only half and save the other half. You can put it by. That would be small savings. What I feel is, that each one of us has some sort of a budget. You put by so much in your provident fund, you have so much to be paid to your insurance, you have so much to be paid for your house tax - all sorts of things. But when you come to spend, I take it that you are located to various items of expenditure. Now take that you are earning a thousand rupees. You have paid for your provident fund, you have paid for your insurance and income tax and then you go home and tell your good wife, "I have 400 rupees left with me and the rest have gone into various investments. You good lady, when you run the house you look after me, look after my children and yourself and any others who are with us in this 400 rupees". Then that good lady is able to run the house and do every thing within 350 and is able to save another 50 rupees. That I would call genuinely small saving.

Take a turning. Suppose a little child is born in a family. We have a very good system. When friends and relatives come

to see the child for the first time, they leave some presents for him; some times it is a silver glass or a silver cup or a silver spoon and some times a small cash. Now that cash is a wind fall to the parents and I can't see why the parents should grab it. Would you not be doing better if the very day the child is born, you open a post office savings bank account in the name of the child and put every penny that you get – that was given to the child in that account and that again would be another small saving and you, ladies and gentlemen, will find 101 ways of saving small sums of money. Put them by for various things. You may plan a holiday to Kashmir, you may want to buy a frigidaire, you may want to buy a radio and you may do so many things.

How is it this habit about small savings first came into existence into the world? Tracing its history, we may find that some where about the 18th century, in Europe when a great deal of thought was given to the problem of the poor particularly to the problem of providing for them in their old age, every one was encouraged to put by what ever he could into little pockets or nestlets if you would like to call them, which would come in handy at the time of retirement and old age and the early

sponsors of this small savings movement were the priests and now it is the economic theory which has led to the preaching of small savings. It was purely social benefit which accrued from saving after spending wisely that attracted the attention of those interested in the small savings movements. You might well ask why, we have got to say, "Has not a man got the right or a woman got the right to spend all his money or her money as they like"? I say, "Yes" every one has a right to spend, it is conceded. Nothing but good comes to the nation, nothing but good comes to the country if you spend wisely and save wisely. In the larger context, savings, I regard as a part of good citizenship. It is no more and no less, it leads to a good citizen. You have no worries if you know that you can fall back upon in your illness and in your retirement, if you have saved some amount of money; above all if you have a small sum of money to fall back, you can afford, perhaps to be generous in others troubles, who were not so wise in saving as you yourself are and it is because of these things I say that this is part of a good citizenship.

Now just think for a minute what are the sources of a nation's wealth? One is natural – a country is rich in mineral

wealth and other things; well, they are either there or they are not there and you cannot put them in a country where they are not. The second source of wealth is manpower depending not so much on the number but on the quality, how hard working they are and how intelligent they are. The third is the saving potential of the people. If there are two countries with exactly the same amount of population and with exactly the same amount of earning, the country which can save more becomes richer in a very short period of time than the country which does not save so much. That is the other side – another reason for saving.

Now let us go to the socialistic pattern of society which we are yearning for. What is it that we want to do in the socialistic pattern? Level up or level down, whatever it may be, the idea is that equal opportunity should be given to most people and as far as possible the pay-scale must be uniform. I wonder whether that will happen but that is the aim. Normally a richer person can save more than a poor person and if we do not have any of the very rich persons left in our country, if the majority is reduced to the middle age, to the upper middle class, what would happen? The saving potential becomes much less

and if we have to keep up our capital formation, we have to save more, otherwise there will not be enough capital in the country. One consequence, therefore of socialistic pattern of society, will be that each individual has to save more than he does today. For one reason the income of an average man may be higher but the richer class which formed the capital and provided most of it will not be there to provide the capital. It will have to come from a larger number of people. Secondly the pattern would be that in a socialistic society, there is one set of people who do the saving, there is another set, the retired, the poor and the older people who are spending what they have saved while they were earning and as with better medical facilities and so on our people begin to live longer, the process of saving will also go on for a longer period. So, the level of new savings must be higher to take not only the place of the capital that belonged to the rich people and which will not be there but also to offset this saving which under the socialistic pattern will go on. Two reasons therefore, why we will have to save more than we had been doing hitherto, if we want to keep our capital formation in tact.

Quite often one is asked this question. "All right, you are preaching; it happens

to be your job. But if I save, has not the government or the country got any obligation also?" and I say, "Most certainly, Yes". It was some four or five days ago, I was talking in the Rotary club in Bombay and a gentleman got up and said, "Mr. Malhotra, would you still advocate saving if 10 years hence, the value of money goes to $\frac{1}{2}$ or $\frac{3}{4}$ of what it is now?" A very legitimate question. What right have I to persuade saving if people, who have denied themselves something today and have saved 10 rupees, find ten years since, that the value of that ten rupees is only 5 rupees? why did not they spend it when its value was higher? why did not they buy property with it or do some thing? That is true! The only answer to that I gave there was, the more you save, the more you help to keep up the value of the rupee; the less you save, the greater the chances that the less saved will not have the same value as the more ones. This is the reason or the third reason and that is why our people will have to be taught to save more. Quite a number of people, I dare say, are thinking in their minds, how can people in India save money, when the majority of them cannot get two square meals a day? Can those people save? Well gentlemen, I am reminded, whenever that thought comes to me, of a middle aged man, of about 40

or 45 years old whom I used to see come to our place of worship, 32 years ago when I had just finished my M. A. and taken up a teaching profession in a government college. This man would come to our place of worship every morning and bow before the holy book the Grentha, listen to the recitations and walk off. But on every Sunday morning he used to put seven, eight or nine annas in front of the holy book. I became curious when I saw him do that for four weeks and after the fourth week, I walked after him and asked him who he was and I learnt that he was a poor grass-cutter whose sole occupation was to gather grass from the road side, carry it to the bazaar and sell it to some one who had a cow or a horse or a buffalo and he said he sold it for seven, eight or nine annas and that he was a married man and he had a child. Well, thirty years ago, eight annas went a long way than it did to-day. He said that invariably he gave whatever he got, to his wife and she put one anna aside. She managed the household expenses with the balance, whatever it was, six, seven or eight annas, and on Sunday, they lived on the six annas that she had been putting aside and what ever he got on Sunday by the sale of grass was given by him as his offering in the place of worship.

Now, ladies and gentlemen, take up that example. I understand that quite a good few in the gathering here to-night are connected with some social work or other. Hitherto, preaching about small saving had been in the hands of a government organization, which is not a work that can be adequately done by us. It needs an army of social workers to carry the message of saving from door to door. We want in our country a patriotic faith. The image I gave you now was a *homiletic* faith, where a man came and gave a certain amount of money to his god, to his place of worship. We want savings message to be taken from door to door, when people will be asked to save, save not only for themselves, save not only for their relatives and for their children but to save for their friends, for their country. It is a message which can be carried, if only it has to be carried effectively by movement something on the line of "Bhoodan". I believe that great soul is here in this place today preaching "bhoodan". I want you social workers to take the message of small-savings where each person before spending should ask himself, "Can I do without it? or can I not do without it?" I want you to remember the old saying when it was preached, "A man was rich and proportion to a number of things; and the rich he can do without it,

not the number of things that he has" and it is that message that I want to put before you. After you save, you do whatever you like with it. Slips of papers have been given to you indicating what the five scripts are that we are offering.

If you feel it a good investment, if it carries the authority of the Government of India behind it, by all means invest with us. It is more important that you save and less important where you invest. But it is important in one context, if you put your saving in gold and silver which is then hoarding, it is not investing. It is not that I advice you people, it does not benefit your country; it does not benefit your industrialist; it does not benefit any thing but your vanity and I think, those days are gone. An English poet summed up a man's life in these words "Getting up and spending, we lay waste our powers". Well gentlemen, think about it thus. A man who has earned and spent every thing that he has, cannot turn back on his life and say, "I have done well". It is one who has got and who has given, one who has got and who has saved, that is the real person.

Now in the 2nd Five Year Plan, 1,200 crores have been given from public borrowing, 700 crores of which will be realised in

the form of loans by the central and all the states government put together. As against that, your planners have budgetted for 500 crores in five years from small savings. It shows the faith your planners have put in the common man and in his capacity to save. Indians are a saving lot by tradition. I do not think we have to speak so much about the virtues of saving. It is known. There is not anybody who does not save some thing or other, particularly for their children, for a marriage or for leading a family home. But what you have to ask them is, "Do you save enough?" I shall stress the first question to you. "Do you save enough? If not, save to your utmost." I shall not take up swords with any one about or not the investment that he made here is wiser or small savings is wiser. That is not the point I like to enter into discussion about. Now remember therefore here are your leaders who have put their faith in you – 500 crores in 5 years. It is an average of 100 crores a year. It can be done. There is no reason why it cannot be done, if all public spirited ladies and gentlemen in this country take up the task of spreading the message. You will all be glad to know that we all must realise 70 crores in the last year – I mean in the financial year 1955-56 and it is my endeavour and I am doing my best that

in the very first year of the Five Year Plan we will thus reach the target of 100 crores, so that in the subsequent four years we do better and the common man has the pride to show to his leaders that he has helped to bridge the uncovered gap of 400 crores. Thank you.

Questions by Mrs. Menon and reply
by Mr. Malhotra:

Question: 1

I am in charge of the Guild of Service, Coimbatore and as such, we have a women's small savings committee and we have to approach ladies who put such awkward question to us and so I am in a position to ask questions to a person who is an authority. The 1st question they ask is, in case of emergency, can we get loans on the security of these loans? May I ask whether they give security of national savings certificates changeability?

Answer: We do not give any such facility and I must explain that the financial structure in a country is rather a genetic structure. If we give you the national savings certificate which is a twelve years security and the national plan certificate which is a ten years security, both carry the same rate of interest, then we expect

back that the money is not to be called back before the expiry of the period. If you feel that you may need your money, then we say "Put it in the post office savings bank". The rate of interest there is only 2% and you can draw the whole lot whenever you like. You cannot reasonably ask us to give you a higher rate of interest and make our 12 years' security a cashable one at any time or there may be loans advanced against it. Suppose we start doing that, we will be infringing upon the work of the banks. It is not intended that any one security should meet all the possible convenience. There it is, it has certain advantages and certain disadvantages. You choose and invest by all means. If you want your money back, don't put it in the national savings certificate where it has to be kept for 12 years. Put it in the post office. That is the answer.

Question 2. The middle class people want to know – if they invest in business or in advance of loans, they get good interest. If they invest in this, the rate of interest is not very attractive. Could you please consider and raise the rate of interest?

Ans. The rate of interest is constantly under the review of the government. As I said while I was speaking that in what

manner you must invest your money is certainly one of your own concern and I dare say you get a higher profit if you put it in the hands of an industrialist by shares, they may appreciate it but there are just as many chances of your loosing a part of your capital. It depends on how good the industrialist is and it is not my desire at all that the money which is very valuable to an industrialist should dry up completely, because he is also in his own way a great benefactor of society. If he goes on expanding his business or if he goes on running it efficiently from day to day, what costs 12 rupees to day may cost 9 rupees to-morrow. Every one will benefit by him. So it is not my desire - not the government's desire also, that all money should come to small savings. There it is, we give a certain rate of interest. On the other hand, the government has granted security. It is as safe as your government. If you want to try your luck and get higher profits, by all means do so, because after all, if there are not people to do so, where are the poor industrialists and the enterprisers to go for money and if new shares are floated in the market, how will they be subscribed unless some people are willing to put their money there? We let people do that. We, as I said, are not competing at all. All these forms of security are complimentary. A

particular investment appeals to somebody and another interests somebody else.

Ques. 3. There are ladies rich and poor who make their own savings at home. If they are given two rupees for their house expenses a day, they save four annas. They grow their vegetables, they do some odd things and make another two rupees. If they are asked to travel by second class for long distances, they travel by third class. After a period, they buy diamond jewels. I ask them, "Instead of buying diamond jewels and keeping them in your safe, can't you help us by putting it in national savings certificates?" The answer is, "What safety is there for us, what guarantee is there that our names will not be published and our husbands will not be punished for not paying the income-tax?" This money is saved little by little by selling curry-leaves, by selling keerai, by travelling in 3rd class and by saving a few annas a day. Can we give any guarantee to these ladies that their names will not be given to the income-tax department – not to levy any income-tax? (I ask this making sure that Mr. Reddy is not here).

Ans. It is rather awkward for me even to make a reference to a sister governmental department, particularly when everybody

expects that reference will not be very charitable to us. A lot of people have asked me, "If you can persuade the income-tax people to leave some money with us, we will save. But I can assure Mrs. Menon and every body else, that we have strict instructions both to our own organizational staff and also to the post office staff who are our agents for the sale of our scripts that all these conductions are to be kept entirely confidential.

Well, you know that some times it is said that if you want any thing to be spread all over the country, some thing from an office to be well advertised, you mark the file confidential and send it into the office and I cannot say with certainty whether or not occasionally some body gets to know as who has invested what. But the instructions are there and if any instance is brought to our notice, I can assure you that we take very strict action. But I have no doubt in my mind, a wife who saves in 4 anna bits will never be able to save so much as to attract the notice of the income-tax authorities. I think the income-tax people are clever and shrewd and they always go for the fatty cock and not for the poor, hungry, lean chicken.

Mr. J. S. Kannappar: Sir, you said that this scheme has been guaranteed by

the government. But I can tell you that many people are loosing faith in this guarantee. Zamindars are loosing zamins. Mirasdars are going to loose their lands. In the same way, when you are in need of money, if you take away all our savings, what is to happen? One argument is enough, can you answer that Sir? People are doubting whether they can believe in the guarantee of the government of India.

Ans. I will have to very respectfully decline the question to answer.

Vote of thanks by

Mr. T. T. R. PILLAI,

Advocate, Coimbatore:

Mr. Malhotra, Mr. G. D. Naidu, Ladies and Gentlemen: I am not here to put questions. I have been asked by our genial, delectable host to thank all those who made this function the success it is. Many of you know that I am an advocate. Mr. G. D. Naidu raised certain troublesome questions in his usual welcome speech and Mr. Malhotra, I must say, like an able advocate by passed those questions and ably argued the position for which he had come to-night to address all of us. But I must say that I am only voicing the feelings of all of you when I say we have listened to a very lucid exposition of these saving schemes. More than his address, the answers to the questions put by Mrs. Menon and Mr. Kannappar have been both instructive and illuminative. To take his last answer, that is all one in government service could do. But personally I do not think there is any danger of this savings also being Nationalized. (Laughter) If in future any such thing should happen unfortunately, may I with all the experience I can boast of as an advocate, assure Mr. Kannappar and those who think on those lines with the large circle, the fundamental rights guaranteed

under our constitution by which one rich could set it right. Again in answer to Mrs. Menon's questions, I dare say the answers given by the distinguished guest, would enable Mrs. Menon to prosecute the campaign of small savings with greater regard. And in this connection Sir, may I be permitted to bring to your kind notice that Mrs. Menon is one of our most energetic secretaries of the local Guild of Service, supported by a devoted band of lady friends, she is already doing some service in that direction, although as a member of the Guild of Service personally I am not in a position to boast that they were making any notable or remarkable success. But I dare say after listening to your address, induced and encouraged by certain remarks of yours, Mrs. Menon and her friends would be able to do the work in a more vigorous and more effective manner. Even as you have alluded, sir, to the Indian people the question of saving, need not be so much emphazised. It is as old as the country, as the Indian societies. If Mr. Bhaskarathondaiman would only have ventured to come over here and participated, he would have referred to you stanzas after stanzas, poems after poems, given by the greatest saints, poets and poetesses in this part. I do not know who the author of it is. But I still remember

some four lines:

ஆன முதலில் அதிகம் செலவானுல்
மானமிழந்து மதிகெட்டுப் போன திசை
எல்லார்க்கும் கள்ளனுய் ஏழ்பிறப்பும் தீயனுய்
நல்லார்க்கும் பொல்லனும் நாடு.

and some such things – those lines, I am only refering to that sir. It is a Tamil song which you may not know. You have to go to Wordsworth for some lines. But our ancient poets and poetesses have found and again tried to inculcate in the minds of the people, the necessity, not to over spend but to live within one's means and to save, if he has to be successful in his life. Even in "Kural" there are two lines:

"அருளில்லார்க்கு அவ்வுலகமில்லை
பொருளில்லார்க்கு இவ்வுலகமில்லை."

Does it mean mearly earning acquired பொருளுள்ளார்? It must exist, it must be saved, it must be contained I understand those stanzas in those lines. But what is it that is lacking at the present moment? It is not the habit of saving. Unfortunately owing to political causes and owing to other historic causes in the past such as insecurity, people, instead of saving, resorted to hoarding in a variety of ways. In the days of Moghul invasions, Marattas invasions, people actually literally hoarded them by burying them, or by going in for costly jewels. Therefore with lack of assumption

of security, with the granting of security that might vanish, the habit of investing is still, I should say, 'lacking'. And therefore the distinguished guest himself and his band of workers, ladies especially, must not only, it is not necessary for them to go about and inculcate the utility of saving, but to say the advantages of investing in schemes of this kind and also in appealing to their patriotic impulses.

We are aware, that in the formulation of the income-tax structure, the finance ministers do take into account the amount which is collected in this way. But unfortunately whatever it may be, the income-tax structure is still becoming more and more difficult. Let us hope, while congratulating Mr. T. T. Krishnamachari, a South Indian, a Tamilnad man, who had been taken into the Cabinet, while we were happy over it, he is already giving frightening threats that we must be prepared for a more terrific budget in times to come. I hope his bite won't be so bad as his bark. Although he has already been threatening us, with more and more taxation, when he actually prepares the budget, I have personally no doubt at any rate, of his expectation of the private sector that his budget would be more reasonable and may not be more severe. The most important question which Mrs. Menon put to you, Sir, is this, namely,

about the Income-tax. It is not her fear that one must successfully be permitted to evade and your assurance that it will be kept as a great secret is no answer at all, and it is no solution to the problem which Mrs. Menon put before you. Her fear is this, one can't keep these things confidential. It comes in the account books of their husbands. If some amounts are drawn from his wife's or daughter's or sister's savings, even if accounts are not kept and even if accounts do not show it, if the incometax authorities come to know that the wife or the daughter or the sister or somebody else has got some amounts invested in their names, then they ask you, why? Even if not, I am sure Mr. Malhotra must know it in that frightening incometax written form covering over twenty pages, where you are asked to fill only a few lines, shear waste of public expenditure, covering twenty pages where you are only asked to fill two or three columns. In one column even if your wife, your dependents, children have some money, you are expected to show it. So when once it is shown no doubt the incometax officer is entitled to ask, "Why? Where from?" Why should he not believe such statement that it is his wife's money or sister's money or daughter's money? Explanations carry no conviction with all this brand of incometax officers. Mrs.

Menon said that she was lucky, that Mr. K. M. S. Reddy, the Assistant Commissioner of Incometax is not present. But even if he is, he is one of those men who are rare exceptions to this formidable array of incometax officers. I personally heard, many of my friends told me that he is sympathetic. If all officers are of that brand, your explanation will surely be accepted. But unfortunately all are not of that mould. Even he, of late, I am told, gets into jiggers with men more highly placed, who are asking him for explanation on this, on that and even he starts the collection of assessments. Therefore the whole department is to be blamed. It doesn't depend upon Mr. Reddy or others. There must be a change in the angle, there must be a change of heart, there must be a change of method. The incometax department must not start that a Indian citizen is prima facie a scoundrel or a blackguard or villain. What I find is, I have told you with the exception, they start with the presumption that every assessee is an out law to evade the incometax. If any incometax officer reviews your account book or your statements with that prejudiced and jaundiced view, I do not think that it can be a correct statement. Take our own instance. Mr. G. D. Naidu is a standing monument of the harassment which he has received from the incometax department. It

is an age long story; still it is not over. Still the fight is going on. That is why her question is not so much that you are keeping it confidential. What she evidently wants to emphasise upon, and draw your kind attention, invite your kind attention, is to this fact that when savings are made and when those savings are utilised by their husbands or fathers or brothers, prima facie the incometax officers must accept it. If they begin to investigate into it or if they begin to question it, then that will retard the encouragement for the small saving schemes. I feel Mrs. Menon has correctly brought forth your view. Of course in private conversation, Mr. Malhotra must have assured Mr. G. D. Naidu, but one service which Mr. Malhotra can certainly do, he may not like the criticism of a sister department, quite right, income-tax department is another governmental department and I do agree most respectfully that he may not be justified in criticising the department. But it is certainly open to you sir, it is within your powers, within your province, within your jurisdiction to tell the incometax authority at the centre to give, to so train and to so impress upon the officers that they must so conduct themselves in assessments and in investigations as not to damage the confidence of the people. Unfortunately or fortunately our society,

our government believe more, give greater place, greater emphasise and then the greater swift on the moral aspect of the covenants of the law. If one takes the realistic view and not that I only venture to throw a suggession, if this scheme or if any loan are to be effected, if the govt. leaders would allow and if you can go and invest, no questions will be asked as regards the source. It is an undoubted fact, no use of escaping, no use of shutting our eyes to the fact that owing to series over a long period of years people may be possessed of resources, funds for which if now you ask them to account, it will be well likely impossible for them to say that. Supposing X, Y or Z has got a lakh of rupees, which has been handed over from generations by way of jewels and things like that. If they are prepared to convert all those jewels and invest one lakh in your national bond and other bonds and loans and other things like that, if the income-tax officer now asked "How did you get that one lakh?" I do not think anybody, the very incometax officer if he has got that, could explain! These are the practical difficulties. If the government had only announced in certain avenues if you invest you will not be asked, I dare say not only your 700 crores, but also many more crores might come. That is taking a realistic economic aspect. But

our government is being founded on the moral thesis and moral basis that account for this incometax investigation commission and all these things. And in one more point and I am afraid I have already taken much of your time, one more point and I will finish. There must be no compulsion in any thing whether it be this small savings schemes, or government loans and even for bonds there must be no compulsion.

And, to-day Coimbatore city is fortunate that there is the element of holiness in the whole atmosphere by the presence of the great soul, as we said the great saint Vinobaji is here. Probably his address here has solved the problems of this evening, sharing the riches and so on. To the bhoodhan followers, he is going to emphasise that aspect. That the great leader is trying to revolutionize the society by revolutionary method is no bluff. The great experiment which he is doing in this country, and I know, as you know, that the world is watching that experiment with great interest; and I am not sure, if an element of parting has not begun to play a part in it. The object of Vinobaji quite likely is to bring a change in the hearts of the people. To treat others as he has often said as family members and to part with one thing or so. But I couldn't understand

the request when I saw in the papers that for every spindle, every mill owner, must give Rs. 10. He simply took my breath off. I am sure if Mr. Vinobaji has expressed accurately, if he has been said, if he has been made to understand how the mills are functioning, I do not think the great man would even have made that suggestion. Already the South Indian mills at any rate have to borrow from banks or other friends to manage their mills and to go and ask them to give, well, I do not know probably Vinobaji thought, the great saint thought that all the share-holders are like Mr. Venkatasamy Naidu or like Mr. Devarajulu Naidu or Mr. G. R. Govindarajulu–these three persons seem to maintain-have got all facilities. They can afford, certainly they can afford not 10 Rs. but many more. But it must not be forgotten that the share-holders are recruited from all kinds of people, women, widows, minors, security and things like that. Apart from the legal difficulties, I do wish to take the service opportunity to emphasise, to bring to the followers of this great saint that it is not a proper expectation; that will be an element of compulsion. That if it is to be voluntary I would rather suggest instead of saying Rs. 10 per spindle why not all these share-holders give one fifth of the dividend? Just as Mr. (Thondaiman, to ask of him 1/5 of

his salary that will be a greater solution. I know Coimbatore is always anxious to be in the forefront. Be it were, it has not become what will be forefront in the matter of the small savings. In all matters we do like to be in the forefront. In that desire I hope this mill people will not commit haragiri or commit suicide. Well I wish a great success, or well I wish a change of heart comes over Coimbatore people. Wherever there are people of opulence, it is necessary, I know in Coimbatore district there are a few rich men and there are more poor men. There should be the free distribution, but to impose it upon institutions, upon industries like that I am afraid, may defeat the purpose. Well sir, in conclusion may I express, on behalf of Mr. G. D. Naidu and all others assembled here, our most heartful thanks for the trouble you have taken to come over here and given the delusive exposure of these schemes. And I dare say after having listened to you, all those who have assembled here will take bonds and certificates, and Mrs. Menon I am sure, will feel considerably enlightened in her future mission. And I also thank all those who had responded to the invitation of Mr. G. D. Naidu inspite of the rain and having been present so long and made this function a great success. Thank you. (claps)

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